

## Paid Leave: National Trends and Best Practices

March 31, 2014



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### Rutgers Center for Women and Work

- *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public*
- January 2012

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### Rutgers Center for Women and Work

- Women who take paid leave:
  - Are more likely to be working 9-12 months after a child's birth
  - Are 54% more likely to report wage increases the following year
  - Have a 39% lower likelihood of receiving public assistance and a 40% lower likelihood of receiving food stamps

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3

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## Paid Leave – Global View



Out of 178 nations, the U.S. is one of three that does not provide paid maternity leave benefits.

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4

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## Federal Policies

- Pregnancy Discrimination Act of 1978
- Family Medical Leave Act (FMLA) of 1993
- Nursing Mothers' Workplace Rights - 2010 (Affordable Care Act)

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5

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## Pregnancy Discrimination Act

- Workers cannot be fired, denied a promotion, demoted or forced to stop working because they are or may become pregnant
  - Does not require employers to provide leave
  - Does not guarantee women who take leave will be able to return to same or similar job
  - Only applies to employers with 15 or more workers

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6

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## Family Medical Leave Act

- Allows new parents to take unpaid time from work after birth, adoption or foster placement of new child
  - Only about half of the workforce benefits from FMLA due to eligibility restrictions
  - 78% of workers who needed FMLA did not take it because couldn't afford leave without pay
  - 1 in 10 workers who used FMLA sought public assistance
  - Requires that employers protect the employee's job

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7

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## Family Medical Leave Act

- Eligibility Requirements
  - Employer must have 50 employees
  - Employee must work in a location with 50 or more employees within a 75 mile radius
  - Employee must have worked 1280 hours in the past 12 months
    - State of Montana has reduced this to 1040 hours and removed the radius requirement

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8

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## Nursing Mothers' Workplace Rights

- The ACA amended the Fair Labor Standards Act (FLSA) to provide working mothers with a "right to pump" at work
- Applies for one year after birth
- Excludes many workers, including salaried managerial and professionals

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9

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## Access to Paid Time Off

	All workers	Workers in lowest wage quartile (\$10.69/hr or less)	Workers in the highest wage quartile (\$24.81 or more)
Paid family leave	11%	5%	19%
Short-term disability insurance	38%	17%	58%
Sick leave	63%	32%	85%
Vacation leave	77%	51%	89%

Bureau of Labor Statistics 2011 National Survey of Employers

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10

## Montana Families and the Workforce

	Number of Households	Percent of Families
Both husband and wife in labor force	110,399	42.5%
Wife in labor force, husband not in labor force	16,858	6.5%
Female head of household in labor force	25,952	10.0%
Total families where woman in labor force	153,209	59.0%

Montana Data – American Community Survey 2012

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11

## National Partnership for Women & Families

- “Expecting Better: A State-by-State Analysis of Laws that Help New Parents”
- Second Edition, May 2012
- Graded states based on policies and laws relating to workplace rights and protections for new parents

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12

### National Partnership for Women & Families

- 72% of women work prior to first pregnancy
- Of those who work, 73% return within 6 months of giving birth
- 71% of children live in households where both parents work

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13

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### National Partnership for Women & Families

- Scoring criteria:
  - Paid Family and Medical Leave
  - Job-Protected Family Leave
  - Job-Protected Medical Leave for Pregnancy, Childbirth, or Related Medical Conditions
  - Paid Sick Leave
  - Other Policies Affecting New Parents
  - State Workers

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14

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### National Partnership for Women & Families

- Montana received a **C-**
- Private Sector:
  - Women in the private sector have greater access to “maternity” leave rights under state law than under federal law.
  - Montana law applies to employers of any size and protects employees regardless of tenure and number of hours worked.
  - Workers are entitled to “a reasonable leave of absence for the pregnancy” with job protection and cannot be required to take a “mandatory maternity leave for an unreasonable length of time”

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15

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## National Partnership for Women & Families

- Montana received a C-
- Public Sector:
  - State government has adopted rules providing that six weeks is “reasonable” leave after the birth of a child (the State of Montana does follow FMLA’s 12 week guidance)
  - Birth fathers and adoptive parents employed by the state are entitled to a “reasonable leave of absence” of up to 15 days immediately following the birth or adoption of a child without having to meet tenure or hours worked requirements
  - All public employers must have a written policy supporting women who want to continue breastfeeding after returning from maternity leave

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16

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## National Partnership for Women & Families

- States with high grades:
  - California: A-
  - Connecticut: A-
  - District of Columbia: B+
  - New Jersey: B+
  - Hawaii: B
  - Washington: B
  - Oregon: B

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17

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## National Partnership for Women & Families

- State Temporary Disability Insurance Programs
  - TDIs are public insurance programs that provide partial wage replacement to workers with a non-work-related disability, including pregnancy
  - TDIs provide for paid leave only; does not provide for job protections

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18

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## National Partnership for Women & Families

- **California received highest grade: A-**
  - Private sector workers eligible for CA State Temporary Disability Insurance
  - TDI funded through employee payroll contributions – 1% up to \$101,636 earnings per year
  - Eligible employees entitled to up to six weeks of paid family leave that can be used by either parent

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19

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## National Partnership for Women & Families

- Other states providing paid family leave:
  - New Jersey – through state TDI funded jointly through employee (.038% taxable wage base) and employer (for first \$31,500 paid each worker) payroll deductions
  - Hawaii – through state TDI, up to half of premium cost (0.5%) can be paid by employees
  - New York – through state TDI
  - Washington – Provides \$250/week for full-time workers up to 5 weeks. Passed in 2007, has not yet been funded

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20

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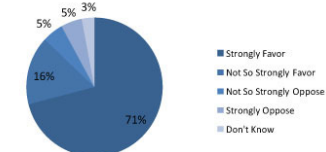
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## Public Support of Paid Family Leave

Public Support for Paid Sick Leave for Companies with 15 or more Employees



Source: Lake Research Partners

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21

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## Policy Opportunities

- Create a state paid leave program
  - Bill or study resolution
- Expand eligibility for FMLA benefits
- Expand leave time for FMLA
- Promote greater workplace protections for nursing mothers in private sector modelled after public sector policies
- Domestic Violence Policies
  - Job-protected leave (SB 221, Caferro, did not pass in 2013)
  - Unemployment Insurance (currently limited to 10 weeks)

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22

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